

Message Text

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ACTION ARA-14

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TO USDOC WASHDC
INFO SECSTATE WASHDC 8206

UNCLAS CARACAS 6428

PASS TO OED/MEPD AND OIM

E.O. 11652: N/A
TAGS: ENRG, EWWT, BENC, VE
SUBJ: MAJOR PROJECT: SHIPBUILDING

REF: CARACAS (76) 11539; STATE A-4274 AND GER-6-50332

1. PROJECT NAME: COVINCA SHIPYARD, CUMANA.
2. BRIEF DESCRIPTION: A FULL-SCALE INTEGRATED SHIPBUILDING YARD CAPABLE OF PRODUCING FOUR 65,000 DWT CRUDE TANKERS, 20,000 DWT GENERAL CARGO TRANSPORTS AND/OR 60,000 BULK CARRIERS IN SEMI-TANDEM ON A SINGLE BUILDING DOCK WITH A MAXIMUM CAPACITY OF 120,000 DWT. THIS PROJECT WOULD BE BUILT FROM SCRATCH AT EL PELON, CUMANA, ESTADO SUCRE IN A JOINT VENTURE BETWEEN COVINCA AND A FOREIGN PARTNER.
3. EXECUTING AGENCY/PROJECT MAMAGER:
COMPANIA VENEZOLANA DE LA INSUTRIA NAVAL, C.A.
(COVINCA)
TORRE EUROPA, PISO 5
AVENIDA FRANCISCO DE MIRANDA, CHACAITO
CARACAS, VENEZUELA
ALMIRANTE JOSE CONSTANTINO SEIJAS VILLALOBOS, PRESIDENT

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RM STATUS OF PROJECT/ANTICIPATED BID DATES: THE NATIONAL SHIPUBUILDING PLAN WAS APPROVED BY AN EXECUTIVE DECREE 26 OCTOBER 1976 GIVING COVINCA AUTHORITY TO BUILD AND OPERATE THIS SHIPYARD. VARIOUS FOREIGN SHIPBUILDERS WERE INVITED TO SUBMIT PROPOSALS FOR A JOINT VENTURE. TWO FRONT-RUNNERS EVOLVED, BURMEISTER AND WAIN AND ASTILLEROS ESPANOLES, WITH THE LATTER THE PROBABLE WINNER. COMPLETION OF NEGOTIATION IS EXPECTED SOON WITH

CONSTRUCTION TO START IMMEDIATELY THEREAFTER.

5. ESTIMATED PROJECT COST/FOREIGN CONTENT: TOTAL COST IS ESTIMATED AT \$170 MILLION, WITH \$70 MILLION IN EQUITY CONTRIBUTION (55PERCENT COVINCA, 45PERCENT FOREIGN PARTNER) AND THE REMAINDER FROM FOREIGN SUPPLIER CREDITS. FOREIGN CONTENT WILL INCLUDE TECHNICAL ASSISTANCE AND CONSTRUCTION SUPERVISION BY THE FOREIGN JOINT VENTURE PARTNER PLUS A QUANTITY OF IMPORTED EQUIPMENT TO BE PURCHASED AT INTERNATIONAL PUBLIC LICITATION JOINTLY ADMINISTERED BY COVINCA AND THE FOREIGN PARTNER.

6. COMPETITIVE FACTORS: IF AS NOW APPEARS LIKELY, ASTILLEROS ESPANOLÉS SUPERVISES CONSTRUCTION AND INSTALLATION, AND PARTICIPATES IN THE PROCUREMENT, SPANISH EQUIPMENT WILL BE FAVORED. SOURCES WITHIN COVINCA HOWEVER BELIEVE THAT US WOULD BE COMPETITIVE IN SUPPLYING MACHINE SHOP AND PLATE FORMING EQUIPMENT, NUMERICALLY CONTROLLED CUTTING EQUIPMENT, AND WELDING OUTFITS PLUS SHIPBOARD EQUIPMENT SUCH AS RADARS AND CONTROLS.

7. ADDRESSEES SHOULD NOTE THAT THAT THE NATIONAL SHIPBUILDING PLAN ALSO AUTHORIZED A SHIP REPAIR YARD IN LOS TAQUES, PARAGUANA PENINSULA, ESTADO FALCON, ALSO TO BE OPERATED BY COVINCA. THIS YARD WILL INCLUDE A DRY DOCK WITH SYNCHORLIFT, AND FLOATING DRY DOCK TO TAKE UP TO 90,000 DWT SHIPS. TOTAL COST IS ESTIMATED AT \$122 MILLION, WITH \$49 IN EQUITY FINANCING. COVINCA WOULD HOLD FIFTY-FIVE PERCENT, NEGOTIATIONS ARE BEING HELD WITH ASTILLE-
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ROS ESPANOLÉS, A.B. GOTAVERKEN, AND RIJN SCHELDE VEROLME WHO SUBMITTED PROPOSALS AS JOINT-VENTURE PARTNERS. THE THIRD ELEMENT OF THE NATIONAL SHIPBUILDING PLAN, A \$56 MILLION UP-GRADING OF THE EXISTING DIANCA FACILITIES AT PUERTO CABELLO, HAS BEEN PLACED IN ABEYANCE UNTIL THE OPERATION THERE IS STRAIGHTENED OUT (DIANCA IS PRESENTLY BUILDING ITS FIRST SHIP, A 30,000 DWT TANKER TO ITALIAN DESIGN). ASTILLEROS ESPANOLÉS IS SELLING HARD A PROPOSAL FOR TECHNICAL ASSISTANCE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Sent Date: 27-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770615/aaaaamyo.tel
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Status: NATIVE
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Type: TE
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